

FINANCIAL COLLECTION AGENCIES

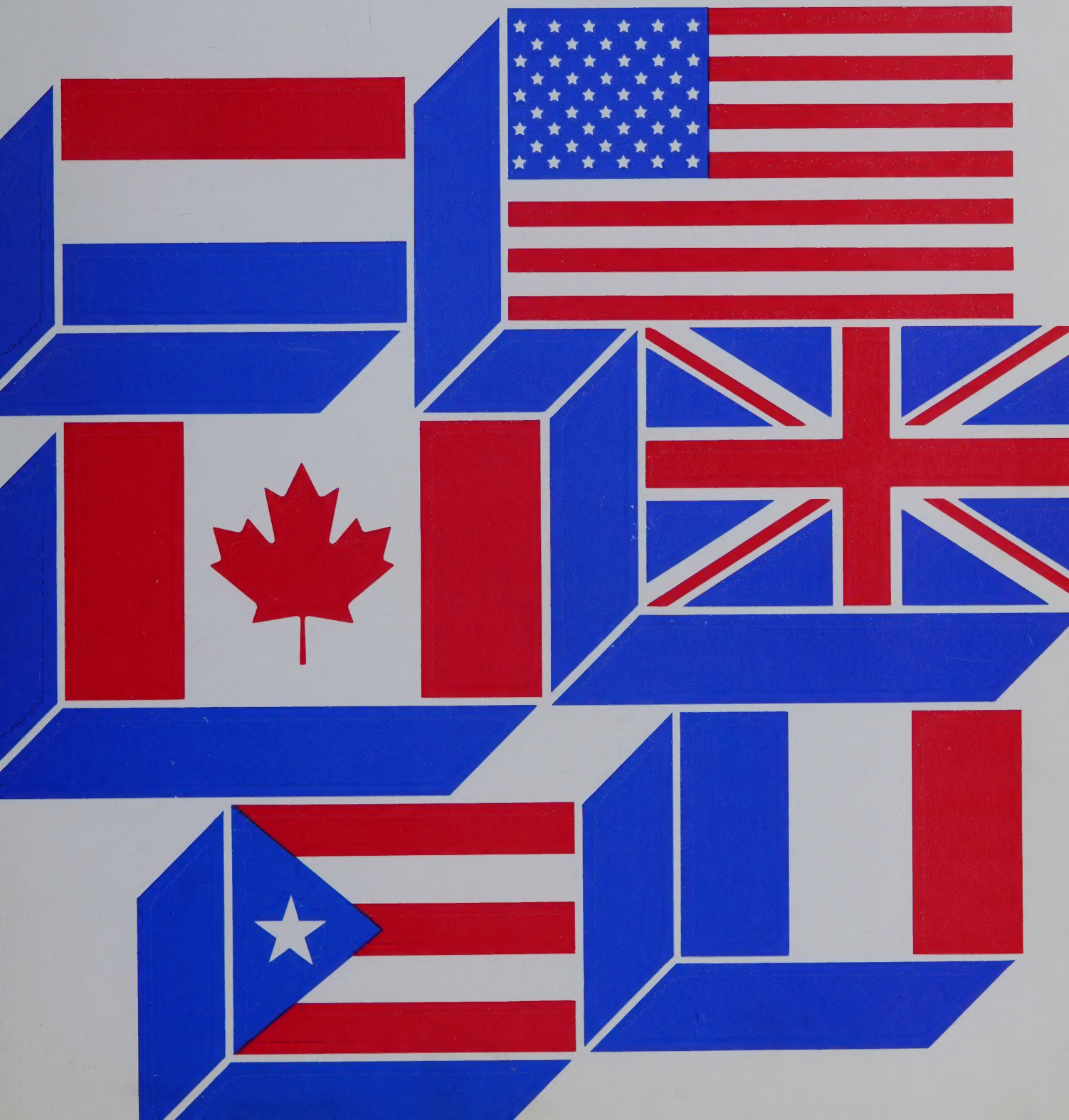
The Professional Approach
to Financial Services

Annual Report 1973



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Contents:

The Professional Approach to Financial Services	1
The FCA Collector	3
The FCA Computer	5
The FCA Production Center	7
From the President	8
Questions Most Frequently Asked	A-H

Maps and Directories

Europe and United Kingdom Division	9
American Division	10 & 11
Canadian Division	12 & 13

Financial Statements

Balance Sheet	14
Earnings and Retained Earnings	15
Source and Application of Funds	16
Auditors' Report	16
Notes to Financial Statement	16
Corporate Data	Inside Back Cover

Financial Highlights

For the Year Ended June 30

	1973	1972
Accounts Accepted for Collection	\$207,500,000	\$177,527,000
Gross Revenue	\$ 14,128,292	\$ 12,874,303
Earnings Before Depreciation & Taxes	\$ 3,217,167	\$ 2,695,142
Income Taxes	\$ 1,503,060	\$ 1,208,220
Net Earnings	\$ 1,579,910	\$ 1,365,304
Net Earnings Per Share	\$ 0.37	\$ 0.32*
Number of Shares Outstanding	4,296,600	4,296,600*
Dividends Paid	\$ 515,592	\$ 515,592
Effective Annual Dividend Rate Per Share	\$ 0.12	\$ 0.12*
Number of Offices—June 30	85	72

*Adjusted to reflect a 2 for 1 subdivision of shares in the current year.



The Professional Approach to Financial Services

While modern technology has caused the world to shrink into a "global village", the world of the modern collection agency is expanding at a rapid rate. Consumer credit systems have not only become more diverse and sophisticated, but have spread beyond the North American continent, their traditional birthplace, to far flung corners of the world. International banking arrangements have extended international credit privileges to cardholders. The re-organization of major companies has created wider geographical uses for extended credit facilities.

Keeping pace with the continued credit explosion, FCA is equipped to offer Financial Services beyond the primary act of collecting accounts.

Our service encompasses six countries with offices strategically located in each to provide the best possible customer-proximity, not only for local clients but for large corporations dealing on a national or international basis. By exchanging information among offices, we have the facilities to follow accounts from continent to continent and from city to city.

In many instances, particularly in the United Kingdom, our expertise in the total credit function has become a valuable asset to companies whose policies and procedures are under review by FCA to ensure that their approach stays in line with contemporary credit practices. Our consulting in the organization and surveillance of credit granting, cash flow, invoicing and statement procedures, the aging analysis of accounts, the supervision of the systems used to review establishment of customer lines of credit—many of these within our clients' own financial departments—have given us an expanding role to play in the control of the total credit cycle.

Each FCA division calls for different approaches within the collection function. Our specialists are carefully trained to understand the factors that come into play, and the degree of tact necessary to effect positive results while maintaining the client's good will based on a realistic assessment of the customer's situation.

As credit practices change throughout the world, and as the need grows for a professional approach to services such as ours, FCA will continue to broaden its horizons and its expertise to maintain its position in the forefront of the industry.

A stylized, handwritten signature in blue ink, reading "J. Lubotta".

Joseph B. Lubotta
Chairman of the Board



A photograph of a desk with a rotary telephone and a large stack of papers.

The FCA Collector

A collector is more than one person. He is the tip of the iceberg, the visible part representing a myriad of management, sales, administrative and clerical details and extensive record keeping. He is the end result of all the information developed by other FCA people. He is the person responsible in the final analysis for collecting the account.

If he is attempting to locate someone, the FCA files will tell him immediately whether we have had prior contact with that person and what the outcome was. There is no way he could maintain such records single-handedly. He requires a massive back-up staff of information processors. If his assignment is of an unusual nature, there is a specialist at his elbow to guide him in the proper handling of the situation.

If the account is large or small, he will give it the same degree of diligence because, as a salaried employee, every account is equal in his eyes. His financial incentives, which are many, are not commission-oriented, and motivate him to the highest standard of productivity. He has opportunities for in-company advancement unequalled in the collection industry and he knows it.

If his investigations lead to an out-of-town venue, he knows that an FCA collector at that location will handle the account with equal care and interest.

The collector is a human being. Behind his business-like deportment, he is a person who understands why financial obligations are sometimes not met. He knows that at times every one can become the victim of circumstances beyond his control. He understands. He can help re-arrange financial commitments to ease financial burdens. He is the ombudsman between the creditor and his customer and he knows that the more amicable settlements he can achieve, the more assignments he will be given by our clients, and the more opportunities he will have for self-betterment at FCA.



The FCA Computer

Information processing, storing and retrieving, with speed, efficiency and accuracy are vital factors in FCA's effectiveness. The personnel who feed our data processing system are expertly trained not only in computer programming but in the overall operations of FCA. They process hundreds of thousands of facts and statistics daily in two centralized facilities which service the entire organization.

To the client, access to up-to-date information regarding the status of accounts placed with FCA gives him an important tool in his cash forecasting. This information is standardized on computer print outs, compatible with his own data processing system, and gives him answers at a glance to his every question regarding the collection of his accounts. At least once each month he receives a statement of all monies collected on his behalf. There are no delays in statement typing nor bottlenecks in remittances.



To FCA, the computer is an important management tool in the decision-making process. Corporate management receives daily reports from every office and can immediately spot the strengths and weaknesses on a branch-by-branch basis, thereby enabling a realignment of work load and personnel to maintain high productivity. By studying a geographical breakdown of accounts collected, management can identify trends leading to the establishment of offices in new areas where business growth is developing.

The age of the computer at FCA has ushered in the age of better supervision, tighter controls, better results, more efficient record keeping, higher individual performance, faster branch expansion, accelerated corporate growth—and above all, superior service to clients.





The FCA Production Center

Every FCA office is the same, but different. The difference is the physical appearance, size and layout of the office. The sameness is in the functions performed, the duties and responsibilities of branch management, and the systems and procedures followed.

The collectors of every office are bonded with a leading insurance company. They are licenced and they fulfill every requirement of local regulatory bodies. Every collector receives the same training as prescribed by central management.

Every filing system is the same. Records are kept in such a way that they may be transferred from office to office and will fit into the identical system at each office. Every daily, weekly and monthly report submitted to head office from the branches contains the same categories of information. All reporting forms are designed for easy programming into centralized computers. Information contained on each form, where applicable, is shared with other branches to upgrade their body of specific knowledge regarding clients and their customers.

Clerks and typists follow the same procedures in all offices. Our policies with regard to the tone and contents of correspondence are followed throughout the organization. The same degree of tact and understanding in written communications is common to all offices. The telephone is recognized and respected for the purpose for which it was intended—a fast and economical way to have a verbal conversation with people, not a tool for intrusion on the privacy and dignity of others.

Office managers have been thoroughly trained in FCA's "Professional Approach" to the collection function, and they in turn reflect the same policies and procedures throughout their region. Because of FCA's policy of promoting from within, most managers have previously performed every other function required at branch level to have risen to a position of management. As FCA expands, many branch managers will assume supervisory duties or executive duties within the organization.

All FCA offices conform to policies administered by the Company's head office. FCA never franchises its name or licences others to carry on business under the FCA name. All personnel are salaried employees paid by central payroll facilities. All offices are wholly-owned and operated by FCA management.

To deal with one FCA office is to deal with all FCA offices. They are all the same, but different.



From the President

The year ended June 30, 1973 produced record results for Financial Collection Agencies and enabled the Company to deepen its penetration into the United States market, improve on its strong position in Canada, expand its growth in the United Kingdom, and open the first of a series of proposed offices on the European Continent.

Accounts accepted for collection during the year rose to a record of \$207,500,000 from last year's \$177,527,000, a growth of 17 per cent. Gross revenue increased significantly to \$14,128,292 from \$12,874,303 in 1972, an increase of 10 per cent. These increases stem from the expansion of FCA's services as well as the general growth of the Company.

Net earnings for the year amounted to \$1,579,910 or \$0.37 per share compared with last year's \$1,365,304 or \$0.32 per share. This is an increase of 16 per cent which can be attributed not only to the increased size of FCA's operation, but to further improvements in FCA's effectiveness and efficiency.

During the year the Company subdivided the number of shares on a two-for-one basis from 2,148,300 to 4,296,600 shares. Dividend payments were calculated on the split basis being \$0.12 per share and total dividend payments amounted to \$515,592.

At June 30, 1973 there were 85 FCA offices spread across the United States, United Kingdom, Canada, Republic of Ireland, Puerto Rico and the Netherlands.

Seventeen U.S. cities saw either openings or acquisitions during the year under review. Some of the acquisitions were in cities where we already maintained offices, in which case they were merged with the existing office. Offices were opened in Charlotte, N.C., Bloomfield, N.J., Tampa, Fla., San Antonio, Tex., and Washington D.C. Offices were acquired in Gary, Ind., Jacksonville, Fla., Pensacola, Fla., Orlando, Fla., Albany, Ga., Milwaukee and Green Bay, Wisc., Detroit, Mich., St. Paul, Minn., Phoenix, Ar., San Francisco, Calif., and Dallas, Tex. After closing two smaller offices, FCA had 48 U.S. offices. Subsequent to the year end, a new office was opened in St. Louis, Mo., bringing the total to 49 offices.

There is unlimited opportunity for major expansion in the United States. FCA is now in a unique position to completely service its clients' requirements in virtually every major city. Continued growth is anticipated for the increasing operations of our present U.S. network of offices.

A significant event in the year under review was the establishment of an office in Amsterdam from which to spearhead a program to establish FCA as a leading financial service organization in the European Economic Community. Having experienced this interesting and exciting introduction in our first continental opening we are confident that our planned expansion into the major European cities can become an important factor in FCA's expansion program. Already charters for Belgium have been completed and applications to operate in France, Belgium and Italy are being proposed.

Our operations in the United Kingdom have increased substantially in the past year. Our debt collection activities have been enhanced in many new sectors of the business community. The new U.K. Financial Service Division, concentrating on credit counselling and credit management services is proving to be a most valuable additional service to companies large and small. These types of financial services are expected to be most acceptable in the general European Market area.

Our Canadian offices continue to grow and to generate substantial volumes of new business and earnings. Continued growth and expansion is anticipated for the coming year. Already three new Canadian offices have been opened subsequent to the year end and plans are being considered for additional openings. Our offices in Canada blanket the country.

Our long term expansion plans, initiated a few years ago, are on target and continue at an orderly rate of growth. We will continue to pursue these plans and we are confident that the future will continue to be exciting and interesting.

We acknowledge the outstanding efforts and achievements of our executives and employees and extend to them our sincere appreciation.

Jack D. Lubotta
President

Questions most Frequently Asked



Over the years, people at FCA have been confronted with every conceivable question related to the credit and collection functions. How? Who? Where? and When? Because the credit function is changing so rapidly, we are continually updating clients and prospective clients in the many aspects to be taken into consideration. We, therefore, have compiled many of the basic questions that generally require specific responses with regard to Company policy and procedures. In this way we hope we can provide a more complete understanding of FCA's position.

Q. Why do most businesses require the use of a collection company?

A. It is a known fact that most companies owe their economic viability to the proper functioning of the credit cycle. If the cycle were to break down, the economic and social consequences would be enormous. By assuming the responsibility for the more complex and time-consuming collection aspect of the credit cycle, FCA helps maintain the stability of this vital element in our economy.

Q. What are FCA's objectives?

A. The objectives of FCA, after 47 years of existence, remain unchanged: to provide a profitable and essential service to our clients; to contribute to the economy and to society; and to provide a good livelihood to a large number of people.

Q. What is FCA's role in the credit cycle?

A. The extraordinary growth of credit granting in all categories of business during the last decade has greatly increased the need for collecting overdue accounts on a highly professional basis. These developments have led to the growth of FCA into a specialized collection agency that functions as an extension of a client's internal credit operations. FCA's role is to use our own special resources and techniques to collect overdue accounts while always concerning ourselves with improving the client's cash position and maintaining good will with his customers and in the community in which he operates.

Q. How does FCA protect a client's reputation and good will?

A. FCA acts as the intermediary between our clients and their customers. No matter what kind of business is involved, we produce results and effect recovery in keeping with the public relations policies of the clients. Accomplished with proper skill, this ensures the essential good will of the customer. At FCA, the protection of our clients' good will and reputation is of paramount importance. After being in the collection business for nearly fifty years, we have developed a keen understanding and expertise in handling accounts requiring special attention.

Q. Is FCA so different from other agencies?

A. FCA is unique. We are the world's leading collection agency with wholly-owned offices in six countries. We do not franchise or licence our name to other operators. Our annual financial results are made public. Our centralized management and control result in more efficiency and faster collections for clients.

Q. Where does FCA operate?

A. Our service covers six countries with offices in the major cities in the United States, Canada, the United Kingdom, the Republic of Ireland, Puerto Rico and The Netherlands. Plans are being developed for offices in Belgium, Germany, France and Italy.

Q. Why is it important to deal with a large collection agency?

A. There are two basic reasons for dealing with a large agency:

1. Because of its widespread network of offices, FCA provides customer proximity, an important advantage to our clients in today's mobile society.
2. Because of its size, FCA provides efficiencies that lead to faster, more effective collections. Economies are realized by centralized management, accounting and data facilities, allowing us to invest more of our resources at the branch level on the collection operation.

Q. Is FCA financially sound?

A. FCA is a public corporation which publishes financial statements on an annual basis. Anyone can assess our financial stability. In fact, most large corporations now have a policy of inspecting an agency's audited statements before placing accounts for collection. This is a prudent practice all credit grantors should adopt.

Q. What type of clients does FCA handle?

A. Our clientele includes virtually every type of business and profession. Our current master index lists approximately 47,000 clients. All corporations, partnerships and proprietors who grant any form of credit to customers are potential clients of FCA.

Q. How many people does FCA employ?

A. FCA has a payroll of over 1,000 people, all bonded and thoroughly trained in their particular function. All employees are salaried. FCA's incentive programs do not include commissions to employees and therefore our people concentrate their best efforts on all accounts, because to FCA, ALL accounts placed with us are equally important.

Q. Why is FCA's productivity so high?

A. Most collection agencies, including FCA, work on a contingency arrangement: "no collection, no charge". Obviously, time, effort and money must be expended to collect every account even though in the final analysis, some remain unpaid. FCA spends more time, more effort and more money than any other agency on those accounts that might possibly be uncollectable because our financial position is strong. The financing needed to collect money is at hand. We have created our own cycle which allows us to invest more, to collect more, which creates more revenue and, in turn, further activates the cycle. We know that FCA will recover a higher percentage of accounts placed for collection than any other agency.

Q. How does FCA send collected monies to clients?

A. Client remittances are made by check at least once a month, along with detailed statements itemizing the collections made during that period. With very large volume clients, the reporting cycle can be accelerated to suit that client's needs.



Q. How does FCA train personnel?


A. FCA stresses "The Strategy of People". A collection agency must pick and train its own personnel. FCA takes people from widely varied backgrounds . . . from accounting, retailing, management, marketing, selling, advertising and public relations, and from the collection industry itself. Broad business experience in a number of industries form a cross section of FCA people. From that base, FCA trains its own personnel. They are taught by listening, reading, watching, trying and being closely supervised directly step-by-step to assure proper performance. Each person is dealt with separately, so that his most beneficial qualities and attributes can be encouraged. Also, group training is conducted by supervisors and executives from other offices within the chain. FCA teaches its employees to understand a client's business, his problems, and his opportunities. They understand his need to maintain a good reputation among his customers (even the slow paying ones), and they understand the meaning of "Good Will".

Q. How does FCA develop its management?

A. Extensive training programs at all levels of the organization equip FCA personnel with the knowledge and skills to perform their duties properly and efficiently. Through experience and continual upgrading of their ability, potential management qualities are identified and developed. This policy of promoting from within produces loyal and competent management in all offices who are thoroughly skilled in the FCA professional approach.

Q. How does FCA maintain its collection standards?

A. Because FCA offers such exceptional career opportunities, we attract people highly qualified for the responsibilities with which they are entrusted. It should be noted that as an additional supervisory safeguard, every FCA employee must sign a document agreeing to work in accordance with the Company's policies in relation to collection activities.



Q. How does management participate in the collection function?

A. One of the most important aspects of FCA's operations is the regular conferences held by the Company's top management. Our senior executives meet constantly to discuss and develop new ways of improving client services. In addition, current methods are continuously scrutinized to improve their effectiveness. Employees' ideas and suggestions are encouraged, and in many cases have been instrumental in updating and improving Company policies.

Q. How do FCA's computers help collect accounts?

A. Every day a daily report is compiled by each FCA office. These reports record the day's collections and are processed through our Editing and Control sections into our Key punch section. The data is then fed into the computers to provide monthly remittance statements, essential statistical breakdowns as well as detailed managerial reports. Intensive study of this concentrated volume of business data leads to the goal of all FCA activities—improved collection performance and client satisfaction.

Q. Do clients inspect your collection files and accounting procedures?

A. Yes indeed! FCA encourages clients to audit our books and records, inspect our working papers and files and watch our people at work in every FCA office throughout the world.

Q. When do clients place accounts for collection?

A. The important fact that every creditor must recognize is that the longer he avoids placing the account in the hands of any professional collection agency, the less likely recovery will take place. Our own experience shows that between 90 and 120 days is the time most utilized by clients to place their accounts for collection.

Q. How are accounts handled?

A. FCA recognizes that certain delinquent accounts may require special handling. While our objective, as always, is to collect all monies owing to our clients, maintaining good will between our clients and their customers is a prime concern. Therefore, each office maintains a section staffed with our most experienced and tactful personnel. In this department some of the conventional FCA collection procedures are further refined. The methods utilized in collection activities often vary from one area to another. FCA is organized to adapt to local conditions and each area manager is able to determine the proper method to produce the best results.

Q. How does the consumer movement affect your operation?

A. The management group at FCA has always endorsed good legislation properly administered. We know that because our own standards are of the highest that we can work within the framework of good consumer protection legislation. Progressive agencies like FCA will benefit from such regulations.

Q. Does FCA circulate names to credit reporting companies?

A. Never! Our organization has always maintained that a customer's financial habits are the concern of his actual creditors. If our clients refer the name of their customers to credit reporting organizations prior or subsequent to assigning the accounts to FCA that is a decision solely made by the creditor. Our files simply record the extent of our activities to collect.

Q. Do you investigate the financial position of a customer assigned for collection?

A. Yes, when necessary. We evaluate the circumstances causing the delinquency so as to better understand any social and economic conditions which may exist. This ensures that proper collection techniques will be utilized to resolve the problem.

Q. Does FCA comply with all local regulatory bodies?

A. Yes. Every office is licensed and registered with the appropriate governmental agencies. The activities of each office conform to the regulations in effect within its jurisdiction. In addition, FCA employees are bonded in excess of government requirements. All monies collected for our clients are protected.

Q. How does FCA charge for its services?

A. FCA rates are competitive. Moreover, FCA handles all accounts on the basis of "no collection—no charge". This means no hidden charges, retainers, subscriptions or membership fees. Our clients pay only for results. All offices are staffed with representatives, including senior management, available to discuss a client's requirements, and to determine the rate structures applicable to the classification of the business involved.

10 operating FCA offices in Europe

● operating FCA offices

▲ headquarters

■ proposed European offices



Birmingham, England
Dublin, Eire
Glasgow, Scotland G2 7DS
Leeds 1, England
Liverpool, England
London SE12, England
London SE18, England
London SW16BH, England
Manchester, England
Amsterdam C, Netherlands

(021) 236-5127
782666/782754
(041) 221-5947
(0532) 35721
(051) 236-3292
(01) 852-8546
(01) 855-2267
(01) 828-3300
(061) 236-8922
(020) 25-4747

61 Cornwall Street
2 Church Lane, College Green
4th Floor, 74 Waterloo Street
4th Floor, Yorkshire House, Greek Street
Suite 1, 10 Rumford Place
4th Floor, Leegate House, Lee Green
107-113 Powis Street, Woolwich
1290 Minster House, St. James Court
14/16 Charlotte Street
Rokin 109-111

Proposed European Offices

Paris, France
Cologne, Germany
Brussels, Belgium
Milan, Italy

Telex No.—London Office—51896351

Offices in the United States

Offices  executive offices  proposed offices 



03 (404) 577-3163
01 (312) 782-8150
nia 90035 (213) 655-8880
10036 (212) 869-8250
sylvania 19102 (215) 985-1717

55101 (612) 226-8824

Suite 1020, 235 Peachtree St., N.E.
Suite 900, 185 North Wabash Avenue
Suite 300, 864 South Robertson Blvd.
1 Astor Plaza
Suite 1918, 1405 Locust Street

360 Robert Street

**CITY, STATE****TELEPHONE****ADDRESS**

AKRON, OHIO 44304	(216) 434-9171	SUITE 107, 680 E. MARKET STREET
ALBUQUERQUE, NEW MEXICO 87103	(505) 255-1611	457 F WASHINGTON S.E.
ATLANTA, GEORGIA 30303	(404) 577-3163	SUITE 1020, 235 PEACHTREE ST., N.E.
BALTIMORE, MARYLAND 21230	(301) 837-7252	SUITE 1207, 10 EAST BALTIMORE STREET
BLOOMFIELD, NEW JERSEY 07003	(201) 429-8100	1455 BROAD STREET
BOSTON, MASSACHUSETTS 02110	(617) 482-9010	SUITE 325, 140 FEDERAL STREET
BUFFALO, NEW YORK 14202	(716) 852-6481	SUITE 804, 422 MAIN STREET
CHARLOTTE, NORTH CAROLINA 28202	(704) 333-6188	SUITE 460, 230 SOUTH TRYON STREET
CHICAGO, ILLINOIS 60601	(312) 782-8150	SUITE 900, 185 NORTH WABASH AVENUE
CINCINNATI, OHIO 45202	(513) 421-6615	SUITE 608, 35 EAST 7TH STREET
CLEVELAND, OHIO 44114	(216) 241-4000	SUITE 236, 1120 CHESTER AVENUE
COLUMBUS, OHIO 43227	(614) 866-2041	2105 SOUTH HAMILTON ROAD
DALLAS, TEXAS 75247	(214) 637-1865	SUITE 1124, 8585 NORTH STEMMONS FREEWAY
DENVER, COLORADO 80203	(303) 222-9488	1900 WASHINGTON STREET
DETROIT, MICHIGAN 48075	(313) 557-1430	SUITE 108, 23777 GREENFIELD RD., SOUTHFIELD
FINDLAY, OHIO 45840	(419) 422-6722	233 SOUTH MAIN STREET
GARY, INDIANA 46409	(219) 981-2541	SUITE D, 5185 BROADWAY STREET
GRAND RAPIDS, MICHIGAN 49502	(616) 459-6265	SUITE 305D, 161 OTTAWA AVENUE N.W.
GREEN BAY, WISCONSIN 54301	(414) 437-0481	SUITE 410, 130 EAST WALNUT STREET
HARRISBURG, PENNSYLVANIA 17102	(717) 233-6771	1801 NORTH FRONT STREET
HARTFORD, CONNECTICUT 06103	(203) 549-4830	SUITE 407, 99 PRATT STREET
HOUSTON, TEXAS 77002	(713) 227-4331	SUITE 507-511, 1121 WALKER STREET
INDIANAPOLIS, INDIANA 46204	(317) 638-1301	SUITE 615, 5 EAST MARKET STREET
JACKSONVILLE, FLORIDA 32207	(904) 396-2845	SUITE G50, 815 SOUTH MAIN STREET
KANSAS CITY, MISSOURI 64112	(816) 561-9500	SUITE 620, 800 WEST 47TH STREET
LANSING, MICHIGAN 48933	(517) 372-9560	SUITE 720, 125 WEST ALLEGAN
LONG ISLAND, NEW YORK 11570	(516) 536-5760	SUITE 402, 100 MERRICK ROAD, ROCKVILLE CTR.
LOS ANGELES, CALIFORNIA 90035	(213) 655-8880	SUITE 300, 864 SOUTH ROBERTSON BOULEVARD
MEMPHIS, TENNESSEE 38103	(901) 523-1771	SUITE 1552, 1 COMMERCE SQUARE
MIAMI, FLORIDA 33012	(305) 821-0623	SUITE 224, 1800 WEST 49TH STREET
MILWAUKEE, WISCONSIN 53202	(414) 273-5790	SUITE 201, 312 EAST WISCONSIN AVENUE
NEW ORLEANS, LOUISIANA 70130	(504) 524-7374	SUITE 1222, 2 CANAL STREET
NEW YORK, NEW YORK 10036	(212) 869-8250	1 ASTOR PLAZA
PHILADELPHIA, PENNSYLVANIA 19102	(215) 985-1717	SUITE 1918, 1405 LOCUST STREET
PHOENIX, ARIZONA 85013	(602) 264-2755	513 WEST THOMAS ROAD
PITTSBURGH, PENNSYLVANIA 15220	(412) 922-8500	SUITE 655, SEVEN PARKWAY CENTER
PORTLAND, OREGON 97205	(503) 223-5171	SUITE 610, 729 SOUTH WEST ALDER AVENUE
RICHMOND, VIRGINIA 23219	(804) 649-1277	SUITE 805, 701 EAST FRANKLIN STREET
SALT LAKE CITY, UTAH 84107	(801) 262-4691	SUITE 28, 5899 SOUTH STATE STREET
SAN ANTONIO, TEXAS 78212	(512) 224-2761	SUITE 410, 1222 NORTH MAIN AVENUE
SAN DIEGO, CALIFORNIA 92101	(714) 232-2935	SUITE 610, 525 "C" STREET
SAN FRANCISCO, CALIFORNIA 94109	(415) 771-9494	SUITE 950, 1255 POST STREET
SAN JUAN, PUERTO RICO 00908	(809) 723-9530	SUITE 902, 1225 PONCE DE LEON AVENUE
SEATTLE, WASHINGTON 98101	(206) 623-6761	SUITE 918, 1218 THIRD AVENUE
ST. LOUIS, MISSOURI 63102	(314) 621-9044	PIERCE BLDG., SUITE 830, 112 N. 4TH STREET
ST. PAUL, MINNESOTA 55101	(612) 222-1533	360 ROBERT STREET
TAMPA, FLORIDA 33602	(813) 223-5591	SUITE 512, 315 EAST MADISON
TULSA, OKLAHOMA 74135	(918) 749-5571	SUITE 222, 3336 EAST 32nd STREET
WASHINGTON, D.C. 20015	(202) 363-6792	SUITE 1340, 5454 WISCONSIN AVENUE

ices in Canada

ices ▲ executive offices ■ proposed offices



3Z 1C3
1V7

(514) 931-6411
(416) 364-4151
(604) 683-0331

1-800-361-8228

4150 Sherbrooke Street West
Suite 700, 500 University Avenue
Suite 201, 540 Seymour Street

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CALGARY, ALBERTA T2P 2C7	(403) 265-8180	4TH FLOOR, 605 SEVENTH STREET S.W.
CHICOUTIMI, QUEBEC	(418) 543-0739	SUITE 7, 152 RUE RACINE EST
EDMONTON , ALBERTA T5J 1S6	(403) 429-5821	SUITE 1313, 10025 JASPER AVENUE
FREDERICTON, NEW BRUNSWICK	(506) 454-3393	SUITE 206, 212 QUEEN STREET
HALIFAX, NOVA SCOTIA	(902) 429-9160	SUITE 312, 5675 SPRING GARDEN ROAD
HAMILTON , ONTARIO L8N 1A6	(416) 526-1721	SUITE 211, 50 KING STREET EAST
KINGSTON, ONTARIO K7L 1G8	(613) 546-6611	SUITE 203A, 837 PRINCESS STREET
KITCHENER, ONTARIO N2H 3W5	(519) 745-7307	SUITE 502, 141 ONTARIO STREET N.
LONDON, ONTARIO N6A 1G9	(519) 673-0280	SUITE 24, 170 DUNDAS STREET
MONCTON, NEW BRUNSWICK	(506) 389-9151	SUITE 201, 787 MAIN STREET
MONTREAL , QUEBEC H3Z 1C3	(514) 931-6411	4150 SHERBROOKE ST. W.
MONTREAL 451, QUEBEC	(514) 253-2261	5759 JEAN TALON EST
OTTAWA , ONTARIO K2P 1P3	(613) 235-1831	SUITE 201, 170 METCALFE STREET
PRINCE GEORGE, BRITISH COLUMBIA	(604) 563-0302	SUITE 206, 1320 5th AVENUE
QUEBEC CITY, QUEBEC G1R 2J8	(418) 529-9481	SUITE 202, 500 GRANDE-ALLEE EST
REGINA, SASKATCHEWAN S4P 2G3	(306) 522-6624	SUITE 6, 1846 SCARTH STREET
RIMOUSKI, QUEBEC G5L 4B5	(418) 723-9274	SUITE 128, 116 ST. GERMAIN OUEST
SAINT JOHN, NEW BRUNSWICK	(506) 657-3434	SUITE 380, 110 CROWN STREET
SASKATOON, SASKATCHEWAN S7K 3G9	(306) 652-7712	SUITE 1100, 606 SPADINA CRESCENT EAST
ST. JOHN'S, NEWFOUNDLAND	(709) 726-8520	SUITE 702, 139 WATER STREET
SUDBURY, ONTARIO P3E 4N3	(705) 673-8462	SUITE 1, 111 LARCH STREET
SYDNEY, NOVA SCOTIA	(902) 539-1232	SUITE 1, 292 CHARLOTTE STREET
THUNDER BAY, ONTARIO P7B 5E9	(807) 344-3518	SUITE 1, 8A NORTH CUMBERLAND STREET
TORONTO, ONTARIO M5G 1V7	(416) 364-4151	SUITE 700, 500 UNIVERSITY AVENUE
VANCOUVER 2, BRITISH COLUMBIA	(604) 683-0331	SUITE 201, 540 SEYMOUR STREET
VICTORIA, BRITISH COLUMBIA	(604) 388-4494	SUITE 270, 777 BROUGHTON STREET
WINDSOR, ONTARIO N9A 5N8	(519) 258-1856	SUITE 203, 33 UNIVERSITY AVE. W.
WINNIPEG , MANITOBA R3C 0B9	(204) 942-7544	SUITE 501, 294 PORTAGE AVENUE

Consolidated Balance Sheet—June 30



ASSETS

1973

1972

Current Assets

Cash (note 4)	\$2,076,434	\$2,026,157
Accounts receivable—clients	1,314,119	1,020,898
Sundry accounts receivable (note 4)	288,070	261,380
Cost of commissions vested in collection accounts purchased (net)	193,487	147,566
Prepaid expenses	228,151	64,307
Total Current Assets	4,100,261	3,520,308

Trust Funds

Cash (note 4)	1,970,251	1,863,209
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Fixed Assets

At cost less accumulated depreciation 1973—\$604,563; 1972—\$505,765	598,661	514,144
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Intangible Assets

Goodwill (note 5)	1,761,341	967,065
Organization expenses less amortization	17,133	21,029
Excess of cost over book value of subsidiary companies at date of acquisition	328,710	328,710
	2,107,184	1,316,804
Total Assets	\$8,776,357	\$7,214,465

LIABILITIES

Current Liabilities

Bank loans	\$ 771,000	\$ 609,683
Accounts payable and accrued charges	316,228	309,050
Balance due to vendors of collection organizations acquired	416,115	—
Income taxes	513,562	707,640
Total Current Liabilities	2,016,905	1,626,373

Funds Held in Trust for Clients,

per contra—remitted in July, 1973	1,970,251	1,863,209
Total Liabilities	3,987,156	3,489,582

SHAREHOLDERS' EQUITY

Share Capital (note 3)

Authorized 6,000,000 common shares without nominal or par value		
Issued 4,296,600 common shares	1,244,289	1,244,289

Retained Earnings

	3,544,912	2,480,594
	4,789,201	3,724,883
Total Liabilities and Shareholders' Equity	\$8,776,357	\$7,214,465

Approved By The Board:

J. B. Lubotta, Director

J. D. Lubotta, Director

Consolidated Statement of Earnings



	Year Ended June 30, 1973	Year Ended June 30, 1972
Revenues		
Gross revenue from operations	\$14,128,292	\$12,874,303
Investment income	193,619	121,004
Total Revenue	<u>14,321,911</u>	<u>12,995,307</u>
Costs and Expenses		
Operating, selling and administration	10,877,520	10,104,502
Depreciation and amortization	134,197	121,618
Remuneration paid to ten (1972-nine) directors for services rendered as directors	3,800	4,500
Remuneration paid to seven (1972-six) officers for services rendered as officers all of whom are also directors	223,424	191,163
Total Expenses	<u>11,238,941</u>	<u>10,421,783</u>
Net Earnings Before Providing for Income Taxes	<u>3,082,970</u>	<u>2,573,524</u>
Income Taxes	<u>1,503,060</u>	<u>1,208,220</u>
Net Earnings	<u>\$ 1,579,910</u>	<u>\$ 1,365,304</u>
Earnings Per Share	<u>\$ 0.37</u>	<u>\$ 0.32*</u>

Consolidated Statement of Retained Earnings



	Year Ended June 30, 1973	Year Ended June 30, 1972
Balance at Beginning of Year	<u>\$2,480,594</u>	<u>\$ 1,632,835</u>
Net earnings	1,579,910	1,365,304
	<u>4,060,504</u>	<u>2,998,139</u>
Cash dividends declared on common shares 1973—\$0.12; 1972—\$0.12*	515,592	515,592
Common stock dividend declared on common shares	—	1,953
	<u>\$ 515,592</u>	<u>\$ 517,545</u>
Balance at End of Year	<u>\$3,544,912</u>	<u>\$ 2,480,594</u>

*Based on 4,296,600 shares outstanding after 2 for 1 stock split (note 3)

Consolidated Statement of Source & Application of Funds



	Year Ended June 30, 1973	Year Ended June 30, 1972
Source of Funds		
Net earnings	\$1,579,910	\$1,365,304
Deductions not requiring a current outlay of funds		
Depreciation and amortization	134,197	121,618
Total Source of Funds	<u>1,714,107</u>	<u>1,486,922</u>
Application of Funds		
Dividends	515,592	515,592
Additions to fixed assets—net	196,150	187,121
Acquisition of collection organizations' goodwill	808,850	2,943
Organization expenses	4,094	—
Total Application of Funds	<u>1,524,686</u>	<u>705,656</u>
Increase in Working Capital	<u>189,421</u>	<u>781,266</u>
Working Capital at Beginning of Year	<u>1,893,935</u>	<u>1,112,669</u>
Working Capital at End of Year	<u>\$2,083,356</u>	<u>\$1,893,935</u>

Notes to Consolidated Financial Statements — June 30, 1973

1. Principles of Consolidation — Assets and liabilities in currencies other than Canadian are converted on the following basis — current assets and current liabilities at the rate prevailing at the balance sheet date; other assets and liabilities at the actual exchange rates prevailing at the date of the transaction. Income and expenses in foreign currencies are converted at average exchange rates for the year.

2. Dividend Restrictions — a) Transfer of earnings from the United Kingdom subsidiary companies are subject to the approval of exchange control authorities. b) Dividend payments from the United Kingdom and the United States of America subsidiaries are subject to withholding taxes upon their remittance to the parent company; no effect has been given to any such future liability in the financial statements. c) Under the provisions of the Income Tax Act of Canada, profits of certain Canadian subsidiaries earned before acquisition may be paid to the parent company after remitting a 15% tax.

3. Share Capital — On June 19, 1972 Supplementary Letters Patent were granted subdividing the authorized and issued com-

mon shares on a 2 for 1 basis. The date of record for the split was July 6, 1972.

4. General — a) Cash includes deposit receipts issued by the companies' bankers. b) Included with sundry accounts receivable are loans aggregating \$195,239 to employees to permit them to purchase shares. Loans owing by directors aggregate \$38,480. c) The company leases premises in its various locations on varying terms.

5. Goodwill — Additions to goodwill are computed as the cost of collection agencies purchased, less value of tangible assets. Goodwill acquired by United States subsidiary companies after October 31, 1970 is being amortized over forty years which amortization amounted to \$14,574 in 1973. During the past several years, the company purchased assets of collection agencies in the United States. Upon review by the Board of Directors of the Company \$794,394 of amounts originally classified as "cost of commissions vested in collection accounts purchased (net)" was reallocated to goodwill during the current year.

Auditors' Report

To the Shareholders of Financial Collection Agencies Ltd.

We have examined the consolidated balance sheet of Financial Collection Agencies Ltd. as at June 30, 1973 and the consolidated statements of earnings, retained earnings and source and application of funds for the year then ended. Our examination of the financial statements of Financial Collection Agencies Ltd. and those subsidiary companies of which we are the auditors, included a general review of the accounting procedures and such tests of the accounting records and other supporting evidence as we considered necessary in the circumstances. We have relied on the reports of the auditors who have examined the financial statements of the other subsidiary companies.

In our opinion, these consolidated financial statements present fairly the financial position of the companies as at June 30, 1973 and the results of their operations and the source and application of their funds for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Glendinning, Jarrett, Gould & Co.
S. D. Portner

Chartered Accountants—Joint Auditors
September 12, 1973

FINANCIAL COLLECTION AGENCIES CORPORATE DATA



Board of Directors

Kenneth J. Bonnington
William A. Clarke
Maurice V. Karmen
Jack D. Lubotta
Joseph B. Lubotta
Mark S. Lubotta
Martin J. Lubotta
Lawrence Marks, Q.C.
Gerald R. Stephens
Gordon C. Watt

Corporate Officers

J. B. Lubotta, Chairman of the Board
J. D. Lubotta, President and Treasurer
K. J. Bonnington, Executive Vice President
G. R. Stephens, Senior Vice President
L. Marks, Q.C., Secretary

Vice Presidents

Raymond B. Fitt
R. Miller Grant
A. P. Hendricks
Maurice V. Karmen
George F. Kopp
Mark S. Lubotta
Martin J. Lubotta
Robert J. Prince

Financial Services

R. B. Fitt, V.P. Finance
G. Brossard, Controller
M. Ovadia, Assistant Controller
A. F. Hobday, Chief Accountant, U.K.

Data Processing Services

P. Labelle
D. Lucas
P. Schmidt

Executive Assistants and Regional Co-Ordinators

G. Auclair
D. Beckett
M. Bonifant
P. E. Catford
G. Day
L. Dooley
E. G. Duguay
E. R. Gauvreau
S. Heft
B. B. Hopewell
H. L. Letourneau
J. J. Levett
B. H. Lubotta
I. Sellors
S. Strully
T. Wunsch

United Kingdom Directors

Edward A. Doyle
Jack D. Lubotta
Joseph B. Lubotta
Mark S. Lubotta
Martin J. Lubotta
N. G. Van Luven
Lawrence Marks, Q.C.
R. S. McGarrity

Registrar and Transfer Agent

The Royal Trust Company

Auditors

Glendinning, Jarrett, Gould and Company
Chartered Accountants
S. D. Portner
Chartered Accountant

Listed:

Montreal Stock Exchange
Trading Symbol FC M

FINANCIAL COLLECTION AGENCIES
The Professional Approach to Financial Services

